

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for CS/CS/HB 1375 Specialty License Plates
SPONSOR(S): Government Accountability Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Accountability Committee		Johnson	Williamson

SUMMARY ANALYSIS

There are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing pay the additional use fee for such plate. The collected fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity. DHSMV must discontinue the issuance of an approved specialty license plate if certain requirements are met.

The bill establishes a cap at 125 specialty license plates and provides a process for the discontinuation of low performing plates and the addition of new plates. It provides direction to DHSMV on the discontinuance of specialty license plates and establishes a timeframe of 180 days to distribute the remaining annual use fees held or collected by DHSMV. The bill authorizes a person with a discontinued specialty license plate to keep the plate for the remainder of the 10-year license plate replacement period.

The bill authorizes the establishment of specialty license plates for certain out-of-state colleges or universities and authorizes revenues from such plates to be expended outside of Florida.

The bill deauthorizes the following specialty license plates:

- American Red Cross
- Donate Organs-Pass It On
- St. Johns River
- Hispanic Achievers

The bill amends provisions regarding the following existing specialty license plates: Special Olympics, Fallen Law Enforcement Officer, Lighthouse Association, and In God We Trust.

The bill creates the following new specialty license plates:

- American Eagle
- Dan Marino
- Ducks Unlimited
- Auburn University
- Beat Childhood Cancer
- Florida State Beekeeper
- Florida Bay Forever

The bill will likely have a negative fiscal impact on DHSMV related to programming hours associated with the design of the new specialty license plates. See Fiscal Analysis section for details.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Specialty License Plates, Generally

Background

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and 10 Florida collegiate plates. Today, there are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.¹ The collected fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity. Vehicles registered under the International Registration Plan, a commercial truck required to display two license plates, or truck tractors are not eligible for specialty license plates.²

Only the Legislature may create new specialty license plates. After a specialty license plate is created by law, then the following requirements must be met:

- Within 60 days, the organization must submit an art design in a medium prescribed by DHSMV.³
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the plate.⁴
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.⁵

There is currently no limit on the number of specialty license plates that DHSMV may issue nor the number of specialty license plates that the Legislature may approve.

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty license plate registrations falls below 1,000 plates.⁶ This process does not apply to collegiate license plates. The following specialty license plates have been discontinued by the DHSMV:

- The American Red Cross plate for failing to meet sales requirements;⁷
- The Donate Organs Pass It On plate because the organization has closed,⁸ and
- The St. Johns River plate and Hispanic Achievers plate for not meeting presale requirements.⁹

¹ Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Dec. 21, 2016).

² Section 320.08056(2), F.S.

³ Section 320.08053(1), F.S.

⁴ Section 320.08053(2)(a), F.S.

⁵ Section 320.08053(2)(b), F.S.

⁶ Section 320.08056(8)(a), F.S.

⁷ DHSMV Technical Advisory RS/TL16-009, *American Red Cross Specialty License Plate* (April 6, 2016), available at https://www.flhsmv.gov/dmv/bulletins/2016/ta_rstl16-009.pdf (last visited Mar. 22, 2017).

⁸ DHSMV Technical Advisory RS/TL16-019, *Deauthorization of Donate Organs Pass It On Specialty License Plate* (July 15, 2016), available at https://www.flhsmv.gov/dmv/bulletins/2016/ta_rstl16-019.pdf (last visited Mar. 22, 2017).

⁹ After 24 months in the presale process, the Hispanic Achievers plate had 26 registrations and the St. Johns River plate had 45 registrations. See DHSMV website, *Pre-Sale Specialty License Plate Vouchers* (June 30, 2016), <http://www.flhsmv.gov/specialtytags/PreSaleData.html> (last visited Mar. 22, 2017).

Organizations receiving specialty license plate revenue must adhere to certain accountability requirements. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable law.¹⁰

Section 320.02056(10)(a), F.S., provides that specialty license plate annual use fees and any interest earned from such fees may not be used for commercial or for-profit activities or for general or administrative expenses, except those specifically authorized, or to pay for the cost of the audit or report.¹¹ The fees and any interest earned may be expended only for use in Florida unless the annual use fee is derived from the sale of specialty license plates related to the United States Armed Forces or specialty license plates related to veterans.

Proposed Changes

The bill amends s. 320.08053(2)(b), F.S., providing that in lieu of the 1,000 license plate presale requirement, license plates for out-of-state colleges and universities must record a minimum of 3,000 voucher sales prior to the manufacture of the license plate. It also amends s. 320.08056(8)(a), F.S., providing that the 1,000 plate minimum sales requirement does not apply to specialty license plates with statutory eligibility limitations for purchase. The only license plate with statutory eligibility limitations for purchase is the Fraternal Order of Police license plate.

The bill creates s. 320.08053(3)(a), F.S., providing that if the Legislature has approved 125 or more specialty license plates, DHSMV may not make any new specialty license plates available for design, presale, or issuance until a sufficient number of plates are discontinued pursuant to s. 320.08056(8), F.S., such that the number of plates being issued is reduced to fewer than 125.

The bill creates s. 320.08053(3)(b), F.S., providing that new specialty license plates that have been approved by law, but are awaiting issuance under s. 320.08053(3)(a), F.S., must be issued in the order they appear in s. 320.08056(4), F.S., and maintains that all other provisions of s. 320.08053, F.S., must be met.

The bill creates s. 320.08068(8)(c), F.S., providing that on January 1 of each year DHSMV must discontinue the specialty license plate with the fewest number of plates in circulation over the previous 24 months. DHSMV is required to mail a warning letter to the sponsoring organization following the first month in which the total number of valid plate registrations is the fewest in the state in circulation over the past 24 months.

The bill creates s. 320.08056(8)(d), F.S., authorizing a person issued a specialty license plate that DHSMV has discontinued to keep the discontinued plate for the remainder of the 10-year license plate replacement period. The person is required to pay all other applicable registration fees; however, the person is exempt from paying the applicable specialty license plate fee for the remainder of the license plate replacement period.

The bill creates s. 320.08056(8)(e), F.S., providing that if DHSMV discontinues a specialty license plate, all annual use fees currently held or collected by DHSMV must be distributed within 180 days after the discontinuance of the specialty license plate. Of those fees, DHSMV must retain an amount sufficient to defray the applicable administrative and inventory closeout costs associated with discontinuing the plate. The remaining funds are distributed to the specified organization or organizations for the discontinued specialty license plate.¹²

The bill creates s. 320.08056(8)(f), F.S., providing that if an organization that is the intended recipient of specialty license plate funds no longer exists, DHSMV must deposit any undisbursed funds into the Highway Safety Operating Trust Fund.

¹⁰ Section 320.08062, F. S.

¹¹ The audit or report is required by s. 320.08062(1), F.S.

¹² The distributions for each specialty license plate are proved in s. 320.08058, F.S.

The bill adds an additional exception from the requirement that specialty license plate fees be expended in Florida for specialty license plates for out-of-state colleges and universities. This would allow fees from the Auburn University specialty license plate discussed below to be expended outside of Florida.

The bill removes the American Red Cross plate, Donate Organs Pass It On plate, St. Johns River plate, and Hispanic Achievers plate from law as these plates have been discontinued.

Current Specialty License Plates

Special Olympics Specialty License Plate

Current Situation

Section 320.08058(7), F.S., F.S., creates the Special Olympics Florida license plate. The plate contains the official Special Olympics Florida logo with “Florida” centered at the bottom of the plate and “Everyone Wins” centered at the top of the plate.

Proposed Changes

The bill amends s. 320.08058(7), F.S., redesigning the Special Olympics Florida license plate with “Florida” centered at the top of the plate and “Be a Fan” centered at the bottom of the plate.

Lighthouse Association Specialty License Plate

Current Situation

Section 320.08068(65), F.S., creates the Lighthouse Association license plate. The plate currently has the phrase “Visit Our Lights” at the bottom of the plate.

Proposed Changes

The bill amends s. 320.08058(65)(a), F.S., changing the wording on the bottom of the Lighthouse Association specialty license plate from “Visit Our Lights” to “SaveOurLighthouses.org.”

In God We Trust Specialty License Plate

Current Situation

Section 320.08058(66), F.S., creates the “In God we Trust” specialty license plate. The statute provides that the license plate annual use fees are distributed to the In God We Trust Foundation, Inc., to fund educational scholarships for the children of Florida residents who are members of the United States Armed Forces, the National Guard, and the United States Armed Forces Reserve and for the children of public safety employees who have died in the line of duty who are not covered by existing state law. Funds are also distributed to provide grants and scholarships to other 501(c)(3) organizations and to provide educational grants to public and private schools to promote the historical and religious significance of American and Florida history.

The In God We Trust Foundation, Inc., distributes the license plate annual use fees in the following manner:

- The In God We Trust Foundation, Inc., retains all revenues from the sale of such plates until all startup costs for developing and establishing the plate have been recovered.
- Ten percent of the funds received by the In God We Trust Foundation, Inc., are expended for administrative costs, promotion, and marketing of the license plate directly associated with the operations of the In God We Trust Foundation, Inc.
- All remaining funds are expended by the In God We Trust Foundation, Inc., for programs.

Proposed Changes

The bill amends s. 320.08058(66)(b), F.S, providing that the annual use fees from the In God We Trust specialty license plate are distributed to the In God We Trust Foundation, Inc., which may use up to 10 percent of the proceeds to offset administrative costs, promoting, and marketing of the specialty license plate directly associated with the operations of the foundation. The remaining proceeds may be used to address the needs of the military community and the public safety community; provide educational grants and scholarships to foster self-reliance and stability in Florida's youth and provide education in public and private schools regarding the historical significance of religion in American and Florida history. The In God We Trust Foundation, Inc., is required to create an advisory council comprised of persons with knowledge in the above program areas to make funding recommendations.

Fallen Law Enforcement Specialty License Plate

Current Situation

Section 320.08058(80), F.S., creates the Fallen Law Enforcement Officers license plates. The statute provides that the annual use fees be distributed to the Police and Kids Foundation, Inc., which may use up to 10 percent of the proceeds

Based in Brooksville, Florida, the Police and Kids Foundation, Inc., is a non-profit corporation with the objective of providing funding for responding police officers to help a child in need. This assistance may include items such as food, clothing, and the replacement of lost or damaged property. The foundation also created a scholarship for at least one senior student at the Pinellas Park High School Criminal Justice Academy.¹³

Proposed Changes

The bill clarifies the distribution of the Fallen Law Enforcement Officer specialty license plate. The bill keeps the maximum of 10 percent of the proceeds for marketing the license plate. It provides that the remaining proceeds are to be used for the operations, activities, programs, and projects of the Police and Kids Foundation, Inc.

Creation of New Collegiate Specialty License Plate

Auburn University Specialty License Plate

Current Situation

Florida has not authorized a specialty license plate for any other college or university located outside of Florida.

The Tampa Bay Auburn Club is an officially chartered group of Auburn University Alumni and Friends. Its stated mission is to encourage more top Tampa Bay area students to attend Auburn University and to foster the spirit of Auburn University throughout the Tampa Bay Area.¹⁴ The Tampa Bay Auburn Club, Inc., is an active corporation with the Department of State.

Proposed Changes

The bill creates the Auburn University specialty license plate with a fee of \$50. The license plate must bear a DHSMV approved color and design. The word "Florida" will appear at the top of the plate and "War Eagle" will appear at the bottom of the plate.

The bill provides that the Tampa Bay Auburn Club is the lead club on behalf of the state's Auburn clubs. The annual use fees are distributed to the Tampa Bay Auburn Club, along with statistics on sales of the license plate tabulated by county. The Tampa Bay Auburn Club must distribute to each of the state's Auburn clubs on a pro-rata basis the moneys received for sales in the regions within the

¹³ Police and Kids Foundation Website <http://www.policeandkids.com/about/> (Last visited Feb. 14, 2017).

¹⁴ <http://tampabayauburnclub.com/> (Last visited Mar. 13, 2017).

respective club's area for the purpose of awarding scholarships to Florida residents attending Auburn University. Students receiving these scholarships are required to be eligible for the Florida Bright Futures Scholarship Program¹⁵ and are required to use the scholarship funds for tuition and other expenses related to attending Auburn University.

Creation of Other New Specialty License Plates

Beat Childhood Cancer Specialty License Plate

Current Situation

Neuroblastoma (nb) is a cancer that affects children. It is among the most common childhood tumors, and typically affects children under five years old. It is not usually diagnosed until the tumor grows and presents symptoms. The majority of childhood neuroblastoma cases are aggressive, showing survival rates of less than 60 percent with standard chemotherapy, and a 50 percent relapse rate. Once relapsed, there is currently no curative treatment, and for those under five years old, the survival rate is less than 10 percent.¹⁶ The mission of Beat Nb is to drive neuroblastoma cancer research, and to raise awareness of the disease.¹⁷ The Beat Nb Cancer Foundation, Inc., is an active corporation with the Department of State.

Proposed Changes

The bill creates the Beat Childhood Cancer specialty license plate with a fee of \$25. The license plate must bear a DHSMV approved color and design. The word "Florida" will appear at the top of the plate and "Beat Childhood Cancer" will appear at the bottom of the plate.

The annual use fees from the Beat Childhood Cancer license plate are to be distributed to Beat Nb, Inc., which may use a maximum of 10 percent of the proceeds for administrative costs directly associated with the operation of the corporation and for marketing and promoting the specialty license plate. The remaining proceeds are to be used by the corporation to fund pediatric cancer treatment and research.

Florida State Beekeepers Association Specialty License Plate

Current Situation

The Florida State Beekeepers Association is dedicated to keeping Florida apiculture strong and healthy and is the major voice for the state's beekeeping industry. Its mission is to:

- To provide resources for the improvement of beekeeping by using proven techniques and procedures in the management of honey bees and to share this knowledge with everyone interested in the art of beekeeping.
- To promote the development of practical beekeeping methods in the state of Florida.
- To act in the interest of Florida beekeepers in advocating for and carrying on statewide beekeeping affairs.
- To act as a medium for and to aid in cooperative and mutual beekeeping methods.
- To act as the representative of the Florida beekeepers in state and national beekeeping affairs.¹⁸

The Florida State Beekeepers Association, Inc., is an active corporation registered with the Department of State.

¹⁵ The Florida Bright Futures Scholarship Program is created pursuant to s. 1009.531, F.S.

¹⁶ <https://beatnb.org/neuroblastoma/> (Last visited Mar. 13, 2017)

¹⁷ <https://beatnb.org/about-us/> (Last visited Mar. 13, 2017)

¹⁸ <http://www.floridabeekeepers.org/> (Last visited Mar. 13, 2017).

Proposed Changes

The bill creates the Florida State Beekeepers specialty license plate with a fee of \$25. The license plate must bear a DHSMV approved color and design. The word “Florida” will appear at the top of the plate and “Save the Bees” will appear at the bottom of the plate.

The annual use fees from the sale of the Florida State Beekeepers license plate are to be distributed to the Florida States Beekeepers Association to be used to fund outreach and education to raise awareness of the importance of beekeeping to Florida agriculture, and to fund honeybee research and husbandry.

American Eagle Specialty License Plate

Current Situation

Based in Pigeon Forge, Tennessee, the American Eagle Foundation is a not-for-profit organization whose mission is to protect the bald eagle and other birds of prey through education, re-population, conservation, and rehabilitation.¹⁹

Proposed Changes

The bill directs the DHSMV to develop an American Eagle license plate, with an annual use fee of \$25, bearing the colors and design approved by DHSMV. The word “Florida” must appear at the top of the plate and “God Bless America” must appear at the bottom of the plate.

The annual use fees from the sale of the American Eagle license plate are distributed to the American Eagle Foundation for deposit in its national endowment fund. Up to 10 percent of the funds received may be used for administrative costs and marketing the license plate. The American Eagle Foundation is required to use the proceeds to fund public education programs, rescue and care programs, and other conservation efforts that benefit bald eagles.

Dan Marino Foundation Specialty License Plate

Current Situation

The Dan Marino Foundation, Inc., is a results-driven nonprofit organization dedicated to improving the lives of persons with autism or other developmental disabilities.²⁰ Based in Fort Lauderdale, the Dan Marino Foundation, Inc. is an active corporation with the Department of State.²¹

Proposed Changes

The bill directs the DHSMV to develop a Dan Marino Foundation license plate, with an annual use fee of \$25, bearing the colors and design approved by DHSMV. The word “Florida” must appear at the top of the plate and “Marino Campus” must appear at the bottom of the plate.

The annual use fees from the sale of the Dan Marino Foundation license plate are distributed to the Dan Marino Foundation, Inc., which may use up to 10 percent of the fees for administrative costs and marketing the plate. The remainder of the fees must be used by the Dan Marino Foundation, Inc., to assist Floridians with developmental disabilities in becoming employed, independent, and productive, to promote awareness of such services, and to promote and fund education scholarships related to such services.

¹⁹ American Eagle Foundation website: <https://www.eagles.org/> (Last visited Jan. 27, 2017).

²⁰ Dan Marino Foundation Website: <https://danmarinofoundation.org/> (Last visited Feb. 23, 2017).

²¹<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=DANMARINOFOUNDATION%20N480800&aggregateId=domnp-n48080-9460ccb4-0142-4ea7-a8d2-39d9c152a411&searchTerm=Dan%20Marino&listNameOrder=DANMARINO%20L94000001540> (Last visited Feb. 23, 2017).

Ducks Unlimited Specialty License Plate

Current Situation

Ducks Unlimited is a waterfowl and wetlands conservation organization founded in 1937. The mission of Ducks Unlimited is habitat conservation.²² Since 1985, Ducks Unlimited has worked to conserve more than 26,000 acres of Florida wetlands.²³

Proposed Changes

The bill directs DHSMV to create a new specialty license plate designated as the Ducks Unlimited license plate, with an annual use fee of \$25. The annual use fee is distributed to Ducks Unlimited, Inc., and the proceeds must be used to support Ducks Unlimited's mission and conservation efforts in the state as follows:

- Up to 5 percent may be used for administrative costs and marketing of the plate.
- A minimum of 95 percent must be used to support Ducks Unlimited's mission and efforts for the conservation, restoration, and management of Florida wetlands and associated habitats for the benefit of waterfowl, other wildlife, and people.

The bill provides that the word "Florida" appear at the top of the plate, and the words "Conserving Florida Wetlands" must appear at the bottom of the plate.

Florida Bay Forever Specialty License Plate

Current Situation

The Florida National Parks Association, Inc. (FNPA) is the official not for profit entity of Everglades National Park, Biscayne National Park, Dry Tortugas National Park and Big Cypress National Preserve. The purpose of the FNPA is to help generate additional revenues to help supplement the park service's budgets as well as support educational, interpretive, and historical and scientific research. The FNPA also operates the book stores within the Parks to help generate revenues as well as providing a visitor information services function on behalf of the National Park Service.²⁴

Proposed Changes

The bill directs DHSMV to develop a Florida Bay Forever license plate. The plate must bear DHSMV approved colors and design. The word "Florida" must appear at the top of the plate and "Florida Bay Forever" must appear at the bottom of the plate.

The annual use fees from the sale of the Florida Bay Forever license plate are distributed to the Florida National Parks Association, Inc., which may use up to 10 percent of the funds for administrative costs and marketing the plate. The remainder of the funds must be used to supplement the Everglades National Park's budgets and to support educational, interpretive, historical, and scientific research relating to the Everglades National Park.

B. SECTION DIRECTORY:

Section 1 amends s. 320.08053, F.S., relating to the establishment of specialty license plates.

Section 2 amends s. 320.08056, F.S., relating to specialty license plates.

Section 3 amends s. 320.08058, F.S., relating to specialty license plates.

Section 4 provides an effective date of October 1, 2017.

²² Ducks Unlimited, *About Ducks Unlimited*, <http://www.ducks.org/about-du?poe=hometxt> (last visited Feb. 24, 2017).

²³ <http://www.ducks.org/florida/florida-conservation-projects> (Last visited Mar. 14, 2017).

²⁴ Proposal for Florida Bay Forever Specialty License Plate. (Copy on file with Transportation & Infrastructure Subcommittee).

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

DHSMV estimates \$7,410 in programming costs associated with the issuance of each new specialty license plate.²⁵ With seven new specialty license plates, DHSMV will incur approximately \$51,870 in programming costs associated with new specialty license plates.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Recipient organizations for newly created specialty license plates may see an increase in revenues associated with the sale of specialty license plates.

Special Olympics Florida and the Florida Lighthouse Association will incur costs associated with purchasing the inventory of the previously designed license plates. The estimated cost is \$2.82 per license plate.²⁶

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

²⁵ DHSMV bill analysis of HB 309, p. 4 (on file with the Transportation & Infrastructure Subcommittee).

²⁶ E-mail from DHSMV, March 17, 2016. (Copy on file with Transportation & Infrastructure Subcommittee).

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES